

# Are Small Firms Happy With Banks?

A recent report by the FSB surveyed over 4000 small businesses throughout the UK to determine how happy they were with their banking services. The results have been widely reported. One headline claimed small businesses "are happy with their banks - as long as things are going well." Another claims "small business banking still not good enough". What's the real story?

The report by the Federation of Small Businesses (FSB) found 70% of firms are satisfied with their banking. However, it did highlight the fact that switching accounts in the UK can often be fraught with problems – although it's a process our European and US counterparts have managed to get right.



The FSB report was triggered by recent record profit announcements by the major banks – coinciding with increasing discontent among personal account users with the level of service they receive from their banks. In short, as profits go up it seems customer service levels take a corresponding hammering.

The findings of the report can be summed up as follows:

1. 70% of businesses are satisfied with their bank
2. When things go wrong, they typically go badly wrong. Switching accounts, overcharging, and poor customer services are the main areas where small businesses are not satisfied.
3. The banks are not fulfilling their commitment to the Competition Commission to offer free banking or pay at least 2.5% interest on business current accounts - and to publicise these services to their customers.

A spokesman for FSB Financial Affairs said: "There is a long way to go before small businesses get the quality of service from their banks that they need and deserve. There has to be a culture change within the banks so that they understand the needs of their small business customers and can then deliver even better services for them. The current profit levels of the banks demonstrate that they have the capability to do this."